

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

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In re application of:

**J. Kraemer**

Examiner: **L. Hamilton**

Application No.: **09/685,398**  
**(Conf. No. 7911)**

Group Art Unit: **3691**

Filed: **October 10, 2000**

Docket No. **RSW920000107US1**  
(S&L Docket No. P24,275 USA)

For: **SYSTEM AND METHOD FOR AUTOMATICALLY REBALANCING  
PORTFOLIOS BY SINGLE RESPONSE**

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

Attn: Board of Patent Appeals and Interferences

**APPELLANTS' BRIEF**

Dear Sir/Madam:

By virtue of filing a Notice of Appeal on December 18, 2007, Appellants have appealed the final rejection of the Examiner in the Office Action mailed September 19, 2007 (hereinafter the "Final Action"). The Notice of Appeal was received by the United States Patent and Trademark Office on December 18, 2007. A Pre-Appeal Brief Request for Review was also filed on December 18, 2007. A Notice of Panel Decision from Pre-Appeal Brief Review was mailed on February 22, 2008. The initial period for filing the Appeal Brief expires on March 24, 2008, March 22, 2008, being a Saturday.

Submitted herewith is the fee for filing a brief in support of an appeal, as set forth in 37 C.F.R. § 41.20(b)(2) (\$510). The Commissioner is hereby authorized to

charge any additional fees in connection with this appeal/brief to Deposit Account No. 09-0457.

**1. REAL PARTY IN INTEREST**

The present application had been assigned to International Business Machines Corporation, having a place of business at New Orchard Road, Armonk, New York 10504 ("IBM"). Accordingly, IBM is the real party in interest.

**2. RELATED APPEALS AND INTERFERENCES**

The Appellants, assignee and the legal representatives of both are unaware of any other appeal or interference that will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

**3. STATUS OF CLAIMS**

- a. Claims: 1-31.
- b. Claims canceled: none.
- c. Claims pending: 1-31.
- d. Claims allowed: none.
- e. Claims rejected: 1-31.
- f. Claims appealed: 1-31.

Claims 1-31 as currently pending are attached in the Claims Appendix hereto.

**4. STATUS OF AMENDMENTS**

The final Office Action was mailed on September 19, 2007. No amendments were filed subsequently.

The Notice of Appeal was filed on December 18, 2007, along with a Pre-Appeal Brief Request for Review. The application remains under appeal.

## 5. SUMMARY OF CLAIMED SUBJECT MATTER

Generally, the present invention relates to a computer-implemented method of rebalancing a portfolio of assets to achieve optimality. More specifically, the method involves transmitting, to a customer, information about one or more recommended rebalancing transactions, receiving from the customer a single response, and automatically implementing the recommended rebalancing transactions.

Unlike the cited art, each recommended rebalancing transaction transmitted to the customer includes an identification of a specific asset, a specific number of units of the asset, and one of a buy and a sell instruction. The list is thus a list of specific recommended rebalancing transactions. Thus, unlike conventional systems that provide generic alerts or instructions, e.g. that the ratio of stocks/bonds is not in accordance with a preference, or that the portfolio should be rebalanced, or that bonds should be sold to reach a desired ratio of stocks and bonds, etc., the present invention provides an alert that includes specific recommended rebalancing transactions that can be approved via a simple customer response. Therefore, an entire portfolio may be appropriately rebalanced, in accordance with a customer's approval, in response to a single customer response, e.g. in response to a single click of a mouse, etc. See claim 1; page 15, lines 16 - page 16, line 22.

Each of the independent claims is discussed below with reference to the specification.

Claim 1: Claim 1 is directed to a computer-implemented method of rebalancing a portfolio of assets to achieve optimality. The method requires "transmitting to a

customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction, each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction". See Figure 2, Steps 12 and 13; page 3, lines 16-19; page 8, lines 4-8. Claim 1 further recites "receiving from the customer a single response to the transmitted alert message." See Figure 2, step 14; page 2, lines 21-28; page 9 ,lines 8-14; page 14, lines 6-9. Further, claim 1 recites "automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction." See Figure 2, step 15; page 9, lines 20-28.

Claim 16: Claim 16 is directed to a computer-implemented system of rebalancing a portfolio of assets to achieve optimality. The system includes "a first unit for determining an imbalance status of a customer's portfolio and preparing an alert message to alert the customer and a list comprising a plurality of recommended rebalancing transactions that optimizes the portfolio." See Figure 1, 101; page 5, line 29 – page 6, line 14; page 8, lines 1-11. The system further includes "a second unit for transmitting the alert message and the list comprising the plurality of recommended rebalancing transactions to the customer, receiving a single response of the customer to the transmitted alert message, and automatically implementing each transaction of the list comprising the plurality of recommended rebalancing transactions based on the received customer's response." See Figure 1, 102; page 5, lines 26-28; page 8, lines 12 – page 10, line 29.

Claim 29: Claim 29 is directed to a computer-implemented method of addressing a certain status of an item. The method comprising the steps of monitoring a current status of the item based on user-defined parameters (Figure 2, steps 10, 11); automatically triggering transmission of an alert message to a user based on the user-defined parameters if the current status of the item has shifted to a second status (Figure 2, step 11); receiving a single response of the user to the alert message (Figure 2, step 14); and automatically performing a plurality of predetermined transactions in response to the single response from the user (Figure 2, step 15). See page 6, line 15 - page 17, line 7.

## **6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Applicant requests that the Board review the rejection of claims 1-31 under 35 U.S.C. §103(a) over U.S. Patent No. 7,149,713 to Bove ("Bove") in view of U.S. Patent No. 7,016,870 to Jones ("Jones").

## **7. ARGUMENT**

### **The Examiner has not Established a *prima facie* Case of Obviousness**

As set forth in the MPEP, with respect to the obviousness standard of 35 U.S.C. §103(a):

To establish a *prima facie* case of obviousness, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skilled in the art, to modify the reference or to combine reference teachings.

MPEP 2143.

The Examiner has not established a *prima facie* case of obviousness for each of claims 1-31, as discussed in greater detail below.

**Claims 1, 5-9, 13 and 15**

Independent claim 1 is directed to a computer-implemented method of rebalancing a portfolio of assets to achieve optimality. Claim 1 recites:

transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction.

As the basis for rejecting claim 1, the Action states that this is disclosed by Jones, stating "Jones teaches a plan monitoring model that transmits alerts – col. 27, lines 50-55." This section of Jones states:

[w]hen one or more new financial products become available to the user, the user may be alerted by the plan monitoring module 350 if, for example, a higher expected return may be possible at lower risk as a result of diversifying the current portfolio to include one or more of the newly available financial products. Jones, col. 27, lines 50-55.

While Applicants agree that Jones discloses alerting the user in some manner, Applicants traverse that Jones teaches or suggests the claimed transmission of "an alert message . . . and a list comprising at least one recommended rebalancing transaction." It is entirely consistent with the disclosure of Jones that Jones' alert may simply provide notice of availability of a new financial product, or arguably of a need for rebalancing of a portfolio. For example, such an alert in Jones may be "ALERT – shares of new financial product XYZ Mutual Fund are now available for purchase." However, there is no teaching or suggestion in Jones (or Bove) of transmission of a list identifying a recommended rebalancing transaction, e.g. a specific recommended transaction such as "sell 500 shares of your Exxon stock."

Additionally, claim 1 recites "each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction." Thus, claim 1 requires that specific parameters of each recommended rebalancing transaction are identified in the alert

message sent to the customer. Accordingly, each recommended rebalancing transaction and the necessary trading parameters are identified with specificity by the system - e.g., SELL, 500 shares, EXXON stock, and viewable by the customer within the alert message, which permits the customer to provide a single mouse click or other response to rebalance his portfolio by having the listed transactions executed. There is no teaching or suggestion in Jones (or Bove) of transmission of a list identifying a recommended rebalancing transaction that comprises "asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction."

Applicants submit that the rejection is based upon information gleaned from applicant's disclosure, namely, information relating to inclusion of a list of one or more specific recommended rebalancing transactions that may be accepted and initiated by a single response, such as a mouse click. Neither Bove nor Jones, alone or in combination, teaches or suggests "transmitting . . . a list comprising at least one recommended rebalancing transaction" that identifies the recited asset information.

For at least these reasons, not all limitations of claim 1 are taught or suggested by the cited art, and thus a prima facie case of obviousness has not been established.

Claims 5-9 and 13-15 depend from claim 1 and are patentable for similar reasons.

Reconsideration and withdrawal of the rejection of claims 1, 5-9, 13, and 15 are requested respectfully.

**Claim 2**

Claim 2 further recites that the transmitting of the alert message "is performed via a first customer-defined communications method." In other words, the customer selects/specifies a communications method. The Examiner acknowledges that this is not disclosed by Bove, but asserts that this is disclosed by Jones. Applicants respectfully disagree. While Jones discloses that an "alert may be displayed during a subsequent user session with the financial advisory system 100 and/or the alerts may be transmitted immediately to the user by telephone, fax, email, pager, fax, or similar messaging system" (col. 28, lines 30-38), Jones does not disclose that the particular method used to contact a customer is defined by that customer; in other words, the method used in Jones may be defined by the system, on a per-system basis, for all users. This is not what is claimed.

Reconsideration and withdrawal of the rejection of claim 2 are requested respectfully.

**Claim 3**

Claim 3 further recites "automatically retransmitting the alert message . . . to the customer via a second customer-defined communications method if the step of transmitting via the first communications method was not successfully executed." The cited art lacks any teaching of automatically retransmitting an alert message to the customer via a secondary method if the step of transmitting via the first communications method was not successfully executed. In rejecting claim 3 over Jones, the Action states, at page 4:

Jones teaches that the alert may be displayed during a subsequent user session – col. 28, lines 30-38. This section of Jones states:

In addition, the system may recommend a reallocation to improve efficiency of the portfolio. An alert may be generated to notify the user of the advise and/or need for affirmative action on his/her part. As described above, the alert may be displayed during a subsequent user session with the financial advisory system 100 and/or the alerts may be transmitted immediately to the user by telephone, fax, email pager, fax, or similar messaging system (emphasis added). Col. 28, lines 29-37.

By way of example, it is entirely consistent with this disclosure of Jones that the system's recommendation/alert may be "AFFIRMATIVE ACTION REQUIRED – REALLOCATION RECOMMENDED TO IMPROVE EFFICIENCY OF YOUR PORTFOLIO." This alert may be displayed during a user session with the system after the alert condition occurs. The alert may also, or instead, be transmitted to the user in a variety of manners. In any event, this is not a teaching of suggestion of transmitting the claimed alert message by a first customer defined communications method (e.g., by telephone), and then automatically retransmitting the alert message by a second customer defined communications method (e.g., by e-mail) if the step of transmitting via the first communications method was not successfully executed. This use of a second communication method if the first communication method is unsuccessful helps ensure that the user receives the alert in a timely manner. Jones merely discloses that a single alert may be sent by any one of several different methods. Applicants respectfully submit that the rejection is based upon information gleaned from applicant's disclosure. Neither Bove nor Jones, alone or in combination, teaches or suggests these claim recitations.

Reconsideration and withdrawal of the rejection of claim 3 are requested respectfully.

**Claim 4**

Claim 4 recites that the customer's response constitutes performing a single action by the customer. This is not analogous to use of the Auto Rebal button, as discussed above. Further, claim 4, read in conjunction with claim 1, relates to "receiving from the customer a single response to the transmitted alert message; and automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction." This is simply neither taught nor suggested by Bove and/or Jones; neither Bove nor Jones teaches transmission of an alert message and execution of transactions listed in an alert message based on the customer's response to the alert message.

Reconsideration and withdrawal of the rejection of claim 4 are requested respectfully.

**Claim 10**

Claim 10 recites that the customer's response that results in automatic implementation of the list of rebalancing transactions is "contained in a return e-mail from the customer, wherein the return e-mail includes a transaction number identifying the list of recommended rebalancing transactions." This is neither taught nor suggested by the cited art. The Action's reliance on Jones' teaching that the alert transmitted by the system may be displayed using telephone, fax, email, pager, fax or similar messaging system (see page 4 of the Final Action) is inapposite.

Reconsideration and withdrawal of the rejection of claim 10 are requested respectfully.

**Claim 11**

Claim 11 recites that the customer's response is received on paper and includes an optical code for retrieving the list of recommended rebalancing transactions. Jones is devoid of any disclosure involving such an optical code. This is neither taught nor suggested by the cited art. The Action's reliance on Jones' teaching that the alert transmitted by the system may be displayed using telephone, fax, email, pager, fax or similar messaging system is inapposite.

Reconsideration and withdrawal of the rejection of claim 11 are requested respectfully.

**Claim 12**

Claim 12 further recites that the customer's response is received as a voice sound, wherein the voice sound is recognized using a voice recognition device. This is neither taught nor suggested by the cited art.

Reconsideration and withdrawal of the rejection of claim 12 are requested respectfully.

**Claims 16-17**

Independent claim 16 recites a second unit for transmitting the alert message and the list of a plurality of recommended rebalancing transactions to the customer, receiving a single response of the customer to the transmitted alert message, and automatically implementing the list of multiple transactions based on the received customer's response. Thus claim 16 is patentable for reasons similar to those set forth above for claim 1.

Claim 17 depends from claim 16 and is likewise patentable.

Reconsideration and withdrawal of the rejection of claims 16 and 17 are requested respectfully.

**Claim 18**

Claim 18 includes recitations similar to those set forth above for claim 3, and is further patentable for reasons similar to those set forth above for claim 3.

**Claim 19**

Claims 19 includes recitations similar to those set forth above for claim 4, and is further patentable for reasons similar to those set forth above for claim 4.

**Claim 20**

Claim 20 includes recitations similar to those set forth above for claim 5, and is patentable for reasons similar to those set forth above for claim 5.

**Claim 21**

Claim 21 includes recitations similar to those set forth above for claim 6, and is patentable for reasons similar to those set forth above for claim 6.

**Claim 22**

Claim 22 includes recitations similar to those set forth above for claim 9, and is patentable for reasons similar to those set forth above for claim 9.

**Claim 23**

Claim 23 includes recitations similar to those set forth above for claim 10, and is patentable for reasons similar to those set forth above for claim 10.

**Claim 24**

Claim 24 includes recitations similar to those set forth above for claim 11, and is patentable for reasons similar to those set forth above for claim 11.

**Claim 25**

Claim 25 includes recitations similar to those set forth above for claim 12, and is patentable for reasons similar to those set forth above for claim 12.

**Claim 26**

Claim 26 includes recitations similar to those set forth above for claim 13, and is patentable for reasons similar to those set forth above for claim 13.

**Claim 26**

Claim 26 includes recitations similar to those set forth above for claim 13, and is patentable for reasons similar to those set forth above for claim 13.

**Claim 27**

Claim 27 includes recitations similar to those set forth above for claim 14, and is patentable for reasons similar to those set forth above for claim 14.

**Claim 28**

Claim 28 includes recitations similar to those set forth above for claim 15, and is patentable for reasons similar to those set forth above for claim 15.

Reconsideration and withdrawal of the rejection of claim 28 are requested respectfully.

**Claims 29 and 31**

Independent claim 29 includes recitations similar to those of claim 1, particularly with respect to the single response and automatic performance of predetermined transactions in response to the single response, and is likewise patentable.

Claim 31 depends from claim 29 and is likewise patentable.

**Claim 30**

Claim 30 further includes transmitting a list of predetermined transactions to the user, and thus is patentable for reasons similar to those set forth for claim 1.

**CONCLUSION**

Appellants have shown in the arguments presented that the cited art fails to teach or suggest all claim limitations and/or provide the requisite motivation. Appellants, therefore, respectfully request that this Board reverse the Examiner's rejection and allow claims 1-31.

Respectfully submitted,

Date: March 12, 2008

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CLAIMS APPENDIX

**CLAIMS INVOLVED IN THIS APPEAL:**

1. A computer-implemented method of rebalancing a portfolio of assets to achieve optimality, the method comprising:

transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction, each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction;

receiving from the customer a single response to the transmitted alert message;  
and

automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction.

2. The computer implemented method of claim 1, wherein the transmitting is performed via a first customer-defined communications method.

3. The computer implemented method of claim 2, further comprising:  
automatically retransmitting the alert message and the list comprising at least one recommended rebalancing transaction to the customer via a second customer-defined communications method if the step of transmitting via the first communications method was not successfully executed.

4. The computer implemented method of claim 1, wherein the customer's response constitutes performing a single action by the customer.

5. The computer implemented method of claim 4, wherein the single action comprises one of the following: pressing a button, touching a portion of a screen, or speaking a sound.

6. The computer implemented method of claim 1, further comprising: verifying the identify of the customer prior to the implementing step.

7. The computer implemented method of claim 1, wherein the verifying is performed automatically by a computer system.

8. The computer implemented method of claim 1, wherein the alert message is generated based on an alert level set by the customer.

9. The computer implemented method of claim 1, wherein the implementing step includes:

generating execution instructions based on the list comprising at least one recommended rebalancing transaction; and

transmitting the execution instructions to an electronic trading system, whereby each respective transaction of the list comprising at least one recommended rebalancing transaction is executed electronically.

10. The computer implemented method of claim 1, wherein the customer's response is contained in a return e-mail from the customer, wherein the return e-mail includes a transaction number identifying the list comprising at least one recommended rebalancing transaction.

11. The computer implemented method of claim 1, wherein the customer's response is received on paper, and wherein the paper includes an optical code for retrieving the list comprising at least one recommended rebalancing transaction, and verification information for verifying the identity of the customer.

12. The computer implemented method of claim 1, wherein the customer's response is received as a voice sound, wherein the voice sound is recognized using a voice recognition device.

13. The computer implemented method of claim 1, wherein the customer's response is received through a wireless communications network.

14. The computer implemented method of claim 1, wherein the customer's response is received from a financial Kiosk.

15. The computer implemented method of claim 1, wherein the customer's response is received from a computer of the customer using a financial program installed on the computer.

16. A computer-implemented system of rebalancing a portfolio of assets to achieve optimality, the system comprising:

a first unit for determining an imbalance status of a customer's portfolio and preparing an alert message to alert the customer and a list comprising a plurality of recommended rebalancing transactions that optimizes the portfolio; and

a second unit for transmitting the alert message and the list comprising the plurality of recommended rebalancing transactions to the customer, receiving a single response of the customer to the transmitted alert message, and automatically implementing each transaction of the list comprising the plurality of recommended rebalancing transactions based on the received customer's response.

17. The computer implemented system of claim 16, wherein the second unit transmits the alert message and the list comprising the plurality of recommended rebalancing transactions via a first customer-defined communications method.

18. The computer implemented system of claim 17, wherein the second unit automatically transmits the alert message and the list comprising the plurality of recommended rebalancing transactions to the customer via a second customer-defined communications method if the second unit detects that the transmission via the first communications method was not successfully executed.

19. The computer implemented system of claim 16, wherein the customer's response constitutes performing a single action by the customer.

20. The computer implemented system of claim 19, wherein the single action comprises one of the following: pressing a button, touching a portion of a screen, or speaking a sound.

21. The computer implemented system of claim 16, wherein the second unit verifies the identify of the customer prior to implementing the list comprising at least one recommended rebalancing transaction.

22. The computer implemented system of claim 16, wherein, to implement the list comprising the plurality of recommended rebalancing transactions, the second unit generates execution instructions based on the list comprising the plurality of recommended rebalancing transactions; and transmits the execution instructions to an electronic trading system, whereby each transaction of the list comprising the plurality of recommended rebalancing transactions is executed electronically.

23. The computer implemented system of claim 16, wherein the second unit receives, as the customer's response, a return e-mail from the customer, wherein the return e-mail includes a transaction number identifying the list comprising the plurality of recommended rebalancing transactions.

24. The computer implemented system of claim 16, wherein the second unit receives, as the customer's response, an optical code for retrieving the list comprising the plurality of recommended rebalancing transactions, and verification information for verifying the identity of the customer.

25. The computer implemented system of claim 16, wherein the second unit receives, as the customer's response, voice sounds which are recognized using a voice recognition device.

26. The computer implemented system of claim 16, wherein the second unit receives the customer's response through a wireless communications network.

27. The computer implemented system of claim 16, wherein the second unit receives the customer's response from a financial kiosk.

28. The computer implemented system of claim 16, wherein the second unit receives the customer's response which is transmitted from a computer of the customer using a financial program installed on the computer.

29. A computer-implemented method of addressing a certain status of an item, the method comprising the steps of:

monitoring a current status of the item based on user-defined parameters;  
automatically triggering transmission of an alert message to a user based on the user-defined parameters if the current status of the item has shifted to a second status;  
receiving a single response of the user to the alert message; and  
automatically performing a plurality of predetermined transactions in response to the single response from the user.

30. The computer implemented method of claim 29, wherein, in the triggering step, a list of the predetermined transactions is transmitted to the user along with the alert message.

31. The computer implemented method of claim 29, wherein the item involves a portfolio of assets, and the performing step optimizes the portfolio.

**EVIDENCE APPENDIX**

No evidence identified.

**RELATED PROCEEDINGS APPENDIX**

No related proceedings identified.